

Decision 16-10-040 October 27, 2016

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's Own Motion into Addressing the Commission's Water Action Plan Objective of Setting Rates that Balance Investment, Conservation, and Affordability for Class A and Class B Water Utilities.

Rulemaking 11-11-008
(Filed November 10, 2011)

ORDER EXTENDING STATUTORY DEADLINE

Summary

This decision extends the statutory deadline in this proceeding to December 29, 2016.

1. Background

Pub. Util. Code § 1701.5 provides that quasi-legislative cases shall be resolved within 18 months of the scoping memo unless the Commission makes findings why that statutory deadline cannot be met and issues an order extending the deadline. No single order may extend the statutory deadline for more than 60 days. The current statutory deadline for this proceeding is October 30, 2016, set by Commissioner Catherine J.K. Sandoval in the Third Scoping Memorandum at 17 on April 30, 2015. Additional time is needed to complete the Proposed Decision (PD) and have the Commission act. It may be impossible for this proceeding to be resolved by the current statutory deadline of October 30, 2016.

On November 10, 2011, the Commission issued Order Instituting Rulemaking 11-11-008 on the Commission's Own Motion into Addressing the Commission's Water Action Plan Objective of Setting Rates that Balance Investment, Conservation, and Affordability for Class A and Class B Water Utilities. The original statutory deadline for resolution of this proceeding was May 10, 2013. A Scoping Memo on October 17, 2013, extended the statutory deadline to September 22, 2014. The assigned Commissioner's Amended Scoping Memo of September 16, 2014, extended the statutory deadline to December 31, 2014. Decision (D.) 14-12-046 extended the statutory deadline further to March 1, 2015. D.15-02-034 extended the statutory deadline to April 30, 2015. The assigned Commissioner's Third Amended Scoping Memo of April 30, 2015, set the statutory deadline to October 30, 2016.

This water proceeding has been very important from the outset, prompted by former President Peevey's desire to have a statewide flat water rate for investor owned Class A and Class B water companies without regard to the differences in costs experienced in service areas. Succeeding President Peevey as the assigned Commissioner, Commissioner Sandoval expanded the matter into Phase 2 to examine ratemaking more closely. Three days of workshops were conducted in response to a series of issues posed and commented on by participating parties and witnesses. This has led to assistance from the Water Division that is ongoing and involving important subjects including the ratio of fixed costs covered in service charges and the applicability of Water Revenue Adjustment Mechanisms.

Further time also has been spent coordinating this balanced rates proceeding with Commissioner Michel Peter Florio's Application 15-07-019 (Cal Am Monterey District Rate making reform). An extension of time until

December 29, 2016, is needed to complete the PD and to allow time for the Commission to consider the PD.

2. Waiver of Comment Period

Under Rule 14.6(c)(4) of the Commission's Rules of Practice and Procedure, the Commission may reduce or waive the period for public review and comment of proposed decisions extending the deadline for resolving quasi-legislative proceedings. Accordingly, the otherwise applicable period for public review and comment is being waived.

3. Assignment of Proceeding

Catherine J.K. Sandoval is the assigned Commissioner and Gary Weatherford is the assigned ALJ in this proceeding.

Findings of Fact

1. This rulemaking was issued on November 10, 2011, as a quasi-legislative proceeding.
2. Additional time beyond October 30, 2016, is required to complete the PD and for the Commission to consider the PD in this matter.
3. A final decision in this proceeding is scheduled to be issued on or before December 29, 2016.

Conclusions of Law

1. The statutory deadline imposed by Pub. Util. Code § 1701.5(a) should be extended until December 29, 2016.
2. In accordance with Rule 14.6(c)(4), the comment period is waived.

IT IS ORDERED that the statutory deadline in this proceeding is extended to December 29, 2016.

This order is effective today.

Dated October 27, 2016, at San Francisco, California.

MICHAEL PICKER

President

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

LIANE M. RANDOLPH

Commissioners

Commissioner Carla J. Peterman, being
necessarily absent, did not participate.